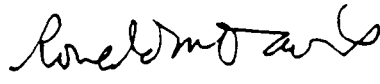


IN WITNESS THEREOF, the DSS and MDPH/CSAS have caused this Agreement to be executed by their respective officers duly authorized to do so.

Dated at Lansing _____, Michigan

MICHIGAN DEPARTMENT OF
PUBLIC HEALTH

This 4th day of Sept., 1992

by 
Vernice Davis Anthony
Director

Witness: _____

Dated at Lansing _____, Michigan

MICHIGAN DEPARTMENT OF
SOCIAL SERVICES

This _____ day of _____, 1992

by 
Gerald H. Miller,
Director

Witness: _____

TN No. 90-28 Approval Date 11-08-93 Effective Date 10-15-90

Supersedes

TN No. N/A

OFFICIAL

AGREEMENT BETWEEN
THE MICHIGAN DEPARTMENT OF SOCIAL SERVICES AND
THE MICHIGAN DEPARTMENT OF MENTAL HEALTH

Pursuant to Act 280, Public Acts of Michigan of 1939, as amended, a Medical Assistance Program has been implemented in the State of Michigan, as authorized by Title XIX of the federal Social Security Act, as amended.

In order to comply fully with the provisions of the above legislation with reference to appropriate and related federal requirements, this agreement is entered into by the Michigan Department of Social Services, hereinafter referred to as "Social Services," and the Michigan Department of Mental Health, hereinafter referred to as "Mental Health."

ARTICLE I

It is the intent and purpose of the parties hereto, by entering into this agreement, to promote high quality of health care and services for recipients of Michigan's Medical Assistance Program, to assure the proper expenditure of public funds for health care services provided said recipients, and to conform with applicable state and federal requirements. The extent of responsibilities and duties of the parties to this agreement are subject to the terms and conditions contained in the specific schedules attached hereto.

ARTICLE II

Assigned functions will be carried out by Mental Health and Social Services in full compliance with Michigan's approved State Plan for Medical Assistance and the statutory and regulatory requirements of the U.S. Department of Health and Human Services. The respective responsibilities of Mental Health and Social Services are detailed in the attached schedules. This agreement and attached schedules may be amended from time to time as dictated under Article I. All such amendments will be attached and once signed and dated by the directors of the two departments, are hereby incorporated as part of this agreement.

It is understood and agreed that the parties shall have the right to examine all physical records originated or prepared pursuant to this agreement, including working papers, reports, charts, and any other documentation arising out of this agreement. Said records shall be made available for review by the parties upon reasonable notice. The parties shall, for six years from the date of preparation/production, maintain all pertinent data, information, and reports.

Agreed to 90-18 Date Rec'd 8-17-90
Agreed to 79-9 Date Appr. 9-6-90
By Rep. H. RFH Date Eff. 10-1-82

OFFICIAL

Page 2

ARTICLE III

In the performance of the functions, Mental Health is not authorized and may not change, disapprove, or delay action on any administrative decision of Social Services or otherwise substitute its judgment for that of Social Services as to the application of policies, rules, and regulations promulgated or otherwise initiated by Social Services.

It is further agreed and understood between the parties that, in recognizing the ultimate authority of Social Services as the single State agency for administration of the Medical Assistance Program, Social Services shall solicit recommendations from Mental Health in the development and implementation of policies and procedures for the Medical Assistance Program coverage of mental health services. However, decisions of Social Services within its authority shall be final and binding on all parties to this agreement.

ARTICLE IV

It is agreed that each party to this agreement shall provide the other with data necessary to carry out its responsibilities under this agreement. It is also agreed by Mental Health that it will assign appropriate professional mental health personnel, when indicated, to coordinate with financial auditors when questions regarding mental health services to Medical Assistance recipients are identified.

ARTICLE V

It is agreed that each party will consult and cooperate on budget issues. This will include interagency accounting transfers of federal funds for Medicaid-enrolled State facilities operated by the Department of Mental Health for those services requiring Social Services and Mental Health transfer of federal funds and any administrative services whose costs are determined by a federally-approved allocation plan.

ARTICLE VI

This agreement supersedes any prior agreement between the parties and shall continue in effect until or unless the two parties mutually agree to amend or terminate it. Any change in the agreement requires at least thirty (30) days prior written notice by either party.

W. # 90-18 Date Rec'd 8-17-80
Revised 79-9 Date Appr. 9-6-80
Cop. In 64/4 Date Eff. 10-1-82

ORIGINAL

Page 3

ARTICLE VII

This instrument, including the schedules, contains the entire agreement between the parties and shall not be modified in any manner except by an instrument in writing executed by the parties. If any term or provision of this agreement or application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this agreement, or the application of such term or provision to such person or circumstance other than those to which it is held invalid or unenforceable, shall not be affected thereby; and each term and provision of this agreement shall be valid and be enforced to the fullest extent permitted by law.

ARTICLE VIII

Responsibility for responding to inquiries and coordination of this agreement shall rest with the Entitlements Division, Bureau of Program Development, Quality Assurance for the Department of Mental Health and the Bureau of Program Policy, Medical Services Administration for the Department of Social Services.

C. Patrick Babcock

C. Patrick Babcock, Director
Michigan Department of Social Services

7/18/90

Date

Thomas D. Watkins, Jr.

Thomas D. Watkins, Jr., Director
Michigan Department of Mental Health

8-15-90

Date

10-18 Date Recd 8-12-90
19-9 Date App 9-6-90
25/4 Date Chg 10-1-82

SCHEDULE A
SURVEILLANCE, UTILIZATION, AND REVIEW

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Schedule A provides a mechanism for a program of surveillance, utilization, and professional performance review of care and service rendered to Medical Assistance recipients.

Surveillance, utilization, and professional performance review are defined herein to include: authorization of health care, including psychiatric services as well as services provided to persons with developmental disabilities, prior to their provision; determination of the appropriateness of treatment and care rendered; Inspection of Care review at facilities which provide services to persons with mental illness and to persons with developmental disabilities; and consultation with providers of care related to these activities.

General surveillance, utilization, and professional performance review procedures and manuals will be developed by Mental Health and submitted to Social Services for review and approval. Review procedures will be implemented in a manner consistent with the professional perspectives and responsibilities of the Michigan mental health system, and in accordance with applicable federal and state statutes and regulations. The review procedures will provide, as necessary, for the evaluation of services in relation to the needs of the clients, the appropriateness of the setting, the medical necessity of the services, benefits, and scope of service.

A. In carrying out these review activities, Mental Health will:

1. Develop review guidelines, procedures, and protocols which shall conform with applicable federal and state standards and regulations. These guidelines, procedures, and protocols shall apply to public, as well as private, Medical Assistance providers of services and include the following:
 - a. Public Psychiatric Hospitals.
 - b. Private Psychiatric Hospitals.
 - c. Psychiatric Units of Private and Public General Hospitals.
 - d. Specialized Nursing Facilities which provide services for persons with Developmental Disabilities.
 - e. Specialized Nursing Facilities which provide services for persons with Mental Illness.
 - f. Intermediate Care Facilities for the Mentally Retarded (ICF/MR) including homes which provide Alternative Intermediate Services (AIS) for persons with Developmental Disabilities.
 - g. Mental Health Clinic Services Providers.

TN No. 93-2 Approval Date _____ Effective Date 01-01-93

Supersedes

TN No. 90-18

Mental Health shall also:

- h. Home and Community-Based Waiver, including Model Waiver, Program Services Providers.
 - i. Omnibus Budget Reconciliation Act (OBRA) of 1987 defined responsibilities.
 - j. Community Supported Living Arrangements services providers.
2. Certify, consistent with the guidelines, procedures, and protocols developed in Section 1:
 - a. Providers of Medical Assistance Mental Health Clinic services.
 - b. Specific sites for the delivery of Medical Assistance Mental Health Clinic services and, with the exclusion of birth homes, sites for the delivery of Home and Community-Based Waiver Program services.
 - c. Eligibility of individuals, as well as providers, of Home and Community-Based Waiver Program services.
 - d. Psychiatric partial hospitalization programs if so authorized by Social Services.
 - e. Eligibility of individuals, as well as providers, of Community Supported Living Arrangements services.
3. Assume responsibility for ensuring the availability of qualified health professionals to carry out the surveillance, utilization, and professional performance review of services for the items stipulated in Section 1 above.
4. Provide consultation to Social Services, when so requested, for the development of general surveillance, utilization, and professional performance review procedures.
5. Provide field consultation services as it determines necessary and appropriate to maintain contact with Medical Assistance Program providers of mental health services.
6. Provide, with the approval of Social Services, a system of recipient enrollment for, or prior authorization of, medical eligibility for Medical Assistance. The system shall pertain to:
 - a. Continued inpatient psychiatric treatment for Medical Assistance clients in psychiatric hospitals operated by Mental Health.

TN No. 93-2 Approval Date _____ Effective Date 01-01-93

Supersedes

TN No. 90-18

OFFICIAL

Mental Health shall also:

- b. Continued psychiatric partial hospitalization treatment for Medical Assistance clients provided under the auspices of private providers.
 - c. Care and services for Medical Assistance clients in specialized nursing facilities for persons with developmental disabilities.
 - d. Care and services for Medical Assistance clients in specialized nursing facilities for persons with mental illness.
 - e. Care and services for Medical Assistance clients provided by providers certified to participate in the ICF/MR program, including AIS/MR.
 - f. Care and services for Medical Assistance clients provided through the Home and Community-Based Waiver and Model Waiver Programs.
 - g. Services and supports for Medical Assistance consumers provided through Community Supported Living Arrangement programs.
 - h. Conduct of eligibility reviews utilizing health and psychiatric care guidelines, procedures, and protocols developed in accordance with Section 1 of this agreement.
 - i. Specification of the information and documentation to be reviewed as part of the application for prior authorization.
 - j. Determination of the extent of required documentation, with the approval of Social Services.
 - k. Notification of the facility/unit/provider/program and Social Services of the prior authorization determination within time constraints established by Social Services.
7. Establish and maintain a regular system of Inspections of Care (IOCs) for the following providers of Medical Assistance services:
- Intermediate Care Facilities for the Mentally Retarded (ICF/MR) including AIS/MR;
 - Institutions for Mental Disease (IMD);
 - Specialized Nursing Homes which provide services to persons with mental illness or developmental disabilities.

TN No. 93-2 Approval Date _____ Effective Date 01-01-93

Supersedes

TN No. 90-18

Mental Health shall also:

- a. These Inspections of Care shall be conducted within applicable federal and state regulations.
- b. In the conduct of these Inspections of Care, Mental Health shall also consult, when indicated, with the responsible physician and treatment personnel, with the utilization review committee chairperson or designated agent, with the administrator and/or other appropriate staff within the program.
- c. A report for each provider shall be submitted by Mental Health to Social Services in a timely manner on completion of the annual review, covering observations, conclusions, and the recommendations of the Inspection of Care teams regarding the treatment, care, or other services found within the programs as revealed by case reviews or other knowledge acquired during visits to the program.
- d. Mental health shall make available qualified mental health personnel to provide consultation to Social Services personnel performing the Inspection of Care in facilities and programs other than the provider types listed in Section 1 of this agreement, on the request of the aforementioned Social Services personnel.
- e. At stipulated intervals, provide Social Services with reports necessary to fulfill federal reporting requirements.
- f. Maintain data reporting procedures for determining expenditures in which federal financial participation is available.

B. Social Services will:

1. Act as the central point for all financial audits and investigations including processing of referrals in a timely manner. In carrying out this responsibility, Social Services will:
 - a. Record, coordinate, and investigate referrals of possible fraud, abuse, or misutilization.
 - b. Request further Inspections of Care from Mental Health, as indicated.
 - c. Provide Mental Health with status reports on financial audits, investigations, or reviews upon request and in a timely manner.
2. Confer, negotiate, finalize, and execute all cost-settlement agreements with providers with representation from Mental Health when involving a medical audit.

TN No. 93-2 Approval Date _____ Effective Date 01-01-93

Supersedes

TN No. 90-18

Social Services shall also:

3. Initiate litigation, when indicated.
4. Develop and promulgate program policy on covered services, limitations, procedures, and public disclosure, consistent with state and federal statutes and regulations.
5. Provide consultation to Mental Health, when so requested, for the development of general surveillance, utilization, and professional performance review procedures.
6. Review and take appropriate action upon recommendations made by Mental Health within the context of this agreements and report such actions to Mental Health in a timely manner.
7. As part of its program responsibilities:
 - a. Take appropriate action on the recommendations of the Inspection of Care teams.
 - b. Assist individuals receiving services and their families to locate and implement alternate care plans when recommended by the Inspection of Care team.
8. Provide the necessary data to ensure that Mental Health is able to carry out its responsibilities under this agreement and to meet the state's responsibilities under applicable statues and regulations.

The provision of this Schedule shall be modified, within the terms of the basic agreement, as alternate methods of surveillance, utilization, and professional performance review are developed and/or mandated by state or federal regulations or statutes. This Schedule shall remain in effect until or unless the two parties mutually agree to modify or terminate it.

TN No. 93-2 Approval Date _____ Effective Date 01-01-93

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TN No. 90-18

SCHEDULE B PERSONAL CARE SERVICES

Schedule B deals with reimbursement for personal care services covered by the Medical Assistance Program for clients receiving such services under terms of contracts with Mental Health and/or community mental health services boards under agreement with Mental Health.

Pending final development and implementation of a mutually acceptable common payment and claim system for all services provided to individuals in community living facilities, child care agencies, and family foster care homes under contract with, or operated by Mental Health and/or community mental health services boards, Mental Health and Social Services hereby agree to the following division of responsibilities for billing and preparation of claims for federal financial participation, for assurance of compliance with standards and certifications required for billing, and for documentation of such compliance.

- A. For services provided under contract with Mental Health, Mental Health will be responsible for:
 1. Assuring that the services billed to the Medical Assistance Program conform to the definition and purpose of personal care services as specified by Social Services.
 2. Verifying that the contracting agency responsible for providing such services has met the appropriate operating, management, and physical plant standards required by Mental Health and Social Services for operation and licensure.
 3. Assuring that each client for whom a claim is processed has an appropriate plan of care ordered by a physician, developed by a case manager after an assessment of the client's needs, and supervised by a registered nurse who conducts at least an annual review.
 4. Assuring that the client for whom a claim is made is eligible for Medical Assistance.
 5. Producing the detailed billing and maintaining the historical file of personal care charges by client.
 6. Assuring that the original documentation of personal care services provided is in accordance with the client plan of care, and the verification of compliance with licensing and operational standards is maintained for subsequent audit.
 7. Producing and transmitting quarterly to Social Services the data required by Social Services to claim federal financial participation for personal care services.
 8. Preparing and transmitting to Social Services claims for federal financial participation in the cost of administrative services provided by Mental Health for personal care services. These costs will be determined in accordance with cost distribution procedures approved by Social Services.

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